

**City of Austin Affordable Housing Forum:
Affordable Housing for Families**

Agenda/Meeting Notes

Friday, September 26, 2008

9:00 a.m. - 10:30 a.m.

Street-Jones Building, 1000 E. 11th Street

52 attendees

Welcome and Introductions

- Margaret Shaw, Director, Neighborhood Housing and Community Development Office, City of Austin

Moderator

- Kate Moore, Neighborhood Housing and Community Development, City of Austin

Presenter: Family Housing Trends in Austin

- Ryan Robinson, Demographer, City of Austin

Panelists

- Francie Ferguson, HousingWorks
- Kathie Tovo, Austin Neighborhoods Council/Families & Children Task Force
- Kelly Weiss, PeopleTrust
- Michael Willard, Austin Habitat for Humanity

Panelist Presentations

Kathie Tovo (Austin Neighborhoods Council/Families & Children Task Force)

The Families and Children Task Force was convened to assess and make recommendations about how the City could better serve families of all income levels. The task force conducted a survey of Austin families.

Respondent needs:

- Safe, affordable housing
- Affordable, quality child care
- Excellent neighborhood schools
- Parks within walking distance
- Public transportation

Respondent concerns:

- Austin becoming less welcoming to families
- High housing costs
- Disparities in access to resources
- Quality of public schools
- Need for safer biking/walking

Task Force Recommendations:

- Set goal of becoming the “family-friendliest” city in nation
- Fund pilot project to demonstrate economic viability of housing developments designed for families
- Plan for families
- Continue to give priority to families with children for all city-built homes
- Require city-subsidized affordable housing programs to give priority to families with children and to persons with disabilities for units with two or more bedrooms
- Restrict city-subsidized affordable housing units with three or more bedrooms to families with children
- In existing and new density bonus programs, base affordable unit requirements on square footage rather than unit count
- Develop 20-year plan for closing affordable housing gap (including for families with children); set specific targets through five-year Consolidated Plans
- Start rental assistance program to keep K-12 students in their neighborhood schools

Kelly Weiss (PeopleTrust)

- PeopleTrust is an organization focused on the benefits of homeownership through shared equity models: 1) shared appreciation loans and 2) community land trust (CLT). These methods create wealth for families but keep homes affordable by recycling the subsidy.
- PeopleTrust aims to use subsidies to focus on geographic dispersion for affordable housing in Austin. Ideal goal would be to do affordable housing west of Mo-Pac.
- Shared equity housing has weathered the mortgage crisis. There has only been a .02% foreclosure rate due to a high level of upfront support (risk-adjusted return model).
- PeopleTrust is focusing on new product types to serve families in the urban core. Not necessarily single-family homes with 2-car garages and a yard. Focus on amenities and family-friendly design (e.g. ground-level storage for strollers, “flex” spaces for growing families)
- Schools are an integral part of the equation and part of the reason that the City and PeopleTrust are not serving more families. People with school-age kids won’t stay in places with failing schools if they have the means to move.
- The community land trust model is a stretch for folks, especially in a property-ownership culture like Texas. This model will be a challenge.

Michael Willard (Austin Habitat for Humanity)

- Austin Habitat for Humanity (AHFH) is an organization that also focuses on homeownership and wealth creation for families in poverty. They target deep levels of affordability—25-50% MFI.
- AHFH builds 20-23 houses per year in the Austin area—those who receive a Habitat house are very lucky. It is a challenge to produce more units. AHFH can’t do it alone; it is a community problem.
- Historically AHFH has built houses on the east side of Austin because the land costs were significantly more affordable there. Land costs in central East Austin are now \$80,000-\$120,000 for an infill lot. 3-4 years ago they started buying in eastern Travis County and Manor due to land costs. They want to be a good steward of the money they receive from the

City and federal government and don't feel like building single-family homes on a lot that pricey is a good use of those funds.

- AHFH is now looking at the CLT model as a potential solution. They are also considering new products—perhaps duplexes and quad-plexes in Austin (though they will continue to offer the older product further out as a choice for families).

Francie Ferguson (HousingWorks)

Four policy tools to consider in relation to affordable housing for families:

1. Preservation—Rental housing preservation efforts are important for families who rent. Foundation Communities has shown that kids with access to after-school programs perform as well in school as kids of parents who own their homes (combo of stability and environment where school matters). The economic downtown may actually help if multi-family units become available for affordable housing. Austin has good geographic dispersion of multi-family units. Need linkages between rental properties and schools.
2. Planning—Austin is now a set of “town centers.” We need to move away from a neighborhood-based approach to planning and toward a sector-based approach, e.g. planning efforts for each town center area—to plan for the appropriate housing mix in each area.
3. Type of Housing—family friendly design. Mueller is good example of this.
4. Regulatory Environment—create “inclusionary incentives” to create attractive, green, visitable homes.

Questions

1. Kate Moore (moderator): *Should we be considering affordable housing to include families above 120% of the local median family income?*

Francie Ferguson: Yes. This doesn't mean that we would necessarily provide subsidies to families up to 120% MFI but as a community we should be planning for workforce housing. It is very difficult to build a single-family house today for a family living on 100% of MFI (~\$70,000).

Kathie Tovo: The Families and Children Task Force was tasked to look at issues affecting families of all income levels, but agreed that the housing gap is largest for low-income families.

2. Kathy Stark, Austin Tenants Council: *Tenant laws in Texas only allow for 30-day notice of non-renewal. This is one cause of mobility concerns due to structural tenant issues. At the City policy level (e.g. SMART housing), is there a policy that says that tenants will be renewed unless there is good cause not to do so? There is a similar clause in tax credit housing developments.*

Note: The Austin Housing Finance Corporation utilizes a HUD lease addendum for all city-funded rental properties that states: “An owner may not terminate the tenancy or refuse to renew the lease of a Tenant except for: a) serious or repeated violations of the terms and conditions of the lease; b) violation of applicable Federal, State, or local law; c) completion of tenancy period for transitional housing; or d) other good cause.”

Francie Ferguson: Other cities encourage “school-friendly” incentives for landlords—policies that address families with children (e.g. renewing leases in the summertime).

3. Eduardo Magaloni, Texas Association of Community Development Corporations: *Have we compared data on performing vs. non-performing schools with rental vs. homeownership?*

Ryan Robinson: Jim Walker (Central Texas Sustainability Indicators Project) has looked into this issue more thoroughly. But keep in mind that there are 9 school districts within the Austin city limits... AISD is not the only entity. This is a regional planning issue.

3. *If a family moves from a Habitat home is it sold on the open market?*

Michael Willard: Yes. AHFH can choose to re-purchase the home first, but if they do not it would go on the housing market. Habitat does offer a variety of incentives for owners to remain in their houses.

4. Eva Schone, Hurt Partners Architects: *How does a community land trust ensure 99-year affordability if a building might only last for 30 years?*

Kelly Weiss: A major feature of almost all community land trusts is an investment in maintenance. Because the goal is long-term affordability, many CLTs do annual inspections (some are “windshield” inspections, some are more detailed internal inspections). On the multi-family side, it’s trickier because of the complexity of construction. Some CLTs limit the number of condos that they hold in their portfolios.

4. Monica Poss: *There are reasons why affordable housing has traditionally been built on the east side of town—land costs and “not in my backyard” (NIMBY) syndrome. What can we really do to promote geographic dispersion of affordable housing throughout Austin?*

Francie Ferguson: Two answers: education and incentives. HousingWorks hosts an annual tour to educate the community about affordable housing and combat perceptions and assumptions about “what tax credit housing looks like.” Secondly, there are current financial incentives to build affordable housing on the east side of town. You get more points in tax credit applications to build east. That may be changing. You shouldn’t have to fight harder to get a tax credit property than a regular development.

5. *NIMBY is real—people think that affordable housing will bring a “certain” type of person to the neighborhood. We need affordable housing advocates to be present at zoning cases for individual properties that come up review at Planning Commission or City Council.*

Kathie Tovo: Austin Neighborhoods Council represents approximately 80 neighborhoods in Austin. Many neighborhoods want to focus on affordable housing and need assistance to figure out how to do it. While some neighborhoods have opposed affordable housing developments, other neighborhood associations have supported affordable housing in their neighborhoods.

6. Sally Gaskin, SGI Ventures: Austin has a unique opportunity for a partnership between school districts, the City, and neighborhoods to promote affordable housing. In other cities, school districts have actively opposed affordable housing developments. In Austin we need to engage school districts to promote special programs like after-school programs in tax-credit properties. Tax credit developers must be in the business of providing supportive services to residents. Alternate funding sources to help tax-credit developers would be very helpful for this kind of project.

Kathie Tovo: Both the Families & Children Task Force and the AISD Community Committee on Neighborhoods and Schools aimed to tackle this issue. They are looking at creating “multi-purpose community campuses” at underutilized AISD schools.

Action Items

1. Focus on affordable housing preservation efforts (City of Austin; affordable housing developers)
2. Pursue sector-based planning for affordable housing as part of the update to Austin’s comprehensive planning process (City of Austin; regional planning entities)
3. Promote “family-friendly” design in all housing types (architects, developers)
4. Continue to promote family-oriented developments through regulatory incentives (City of Austin)
5. Consider policies that encourage housing development for those with incomes up to 120% MFI (City of Austin; affordable housing providers)
6. Explore school-friendly incentives for landlords (Tenant organizations; AISD and other school districts; City of Austin)
7. Encourage advocate voice for affordable housing at zoning hearings at Planning Commission and City Hall (affordable housing advocates and stakeholders)
8. Promote school district and affordable housing collaboration (affordable housing advocates and stakeholders; AISD and other school districts; City of Austin)

Resources

- Ryan Robinson’s presentation: ftp://ftp.ci.austin.tx.us/GIS-Data/planning/Demographic%20presentations/Families_with_Children_and_Aff_Housing.ppt
- Austin Families and Children Task Force: <http://www.ci.austin.tx.us/council/fctf.htm>
- Austin Habitat for Humanity: <http://www.austinhabitat.org/>
- HousingWorks: <http://housingworksaustin.org/>
- Peopletrust: <http://www.peoplefund.org/programs/landtrust.php>
- AISD Community Committee on Neighborhoods and Schools: <http://www.austin.isd.tenet.edu/inside/initiatives/ccns/>
- Central Texas Sustainability Indicators Project: <http://www.centex-indicators.org/>

Important Dates

- Thursday, October 16th: Families & Children Task Force Report to City Council (2pm)
- Saturday, November 15th: HousingWorks’ Fifth Annual Housing Summit: “A Place To Do Homework: (Housing + Schools) x Planning = Community Success” (8am-1pm), Reagan High School. For more information: <http://housingworksaustin.org/events/summit-2008.php>